



Fair Political Practices Commission

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NEWS RELEASE

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Commission, Creeks Committee agree to \$24,000 civil settlement *Failed to file reports disclosing \$190,000 in contributions*

The Fair Political Practices Commission has reached a \$24,000 civil settlement with the Committee for Clean Safe Creeks, and its treasurers, Susan A. Pino and Rick L. Callender, regarding campaign disclosure violations in connection with their successful effort to win passage of Measure B, the "Clean, Safe Creeks and Flood Protection Plan," in the Nov. 7, 2000, Santa Clara County general election.

The FPPC alleged in its suit that before the election, the Creeks committee failed to timely file a pre-election campaign report disclosing \$170,995 in contributions and \$65,668 in expenditures and failed to file five late contribution reports disclosing an additional \$20,000 in contributions. In addition, when the committee later filed the pre-election report, well after the election, it did not disclose required information about how \$49,795 in contributions was spent. The committee also was not properly described in its campaign filings as a committee that was primarily formed to win passage of Measure B.

The civil lawsuit was filed by the FPPC in Santa Clara County Superior Court on Aug. 4, 2004. The final judgment, based on a stipulation signed by the FPPC, Pino, and Callender, was approved Aug. 13 by Santa Clara County Superior Court Judge Socrates P. Manoukian. Copies of the complaint, stipulation and judgment are available on the FPPC Web site at www.fppc.ca.gov.

"This was a significant matter for the voters of Santa Clara County," said Steven Russo, chief of the FPPC's Enforcement Division. "Due to the disclosure violations, the voters were deprived of important information regarding the conduct of the Measure B campaign and who supported it." He noted that the measure passed by a very slim margin, receiving only 66.9% of the votes cast, with 66.6% needed for passage.

According to documents filed in the case, the Creeks committee received 29 contributions totaling \$170,995, approximately two-thirds of the total contributions received by the committee during the second pre-election reporting period before the November 2000 election. They also made \$65,668 in expenditures. They failed to report this activity on their pre-election campaign statement by Oct. 26, 2000, as required by law.

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During the next 16 days immediately preceeding the election, the Creeks committee then received five additional contributions of \$1,000 or more totaling \$20,000. Any contributions received within the last 16 days prior to an election are required to be reported as "late contributions" within 24 hours. The Creeks committee failed to satisfy that reporting obligation.

After the November election, on Dec. 26, 2000, the committee belatedly filed the pre-election campaign statement that had been due on Oct. 26. However, the committee failed to disclose required information about how \$49,795 had been spent by the committee.

Finally, in the committee's first campaign filing -- a statement of organization filed on July 25, 2000 -- the committee failed to disclose its purpose as a committee primarily formed to support the passage of Measure B, as required by law. The committee was incorrectly described as a general purpose committee whose purpose was to support more than just the one ballot measure. This failure to correctly describe the true nature of the committee was then reflected in all of the committee's subsequent campaign filings.

This case was handled as a civil lawsuit, rather than as an administrative action, and the terms of the settlement were brought before the members of the commission for approval during an earlier closed-session discussion of pending litigation. Because of the large amount of unreported contributions, particularly in the second pre-election statement, the case was handled as a civil action to allow for the possibility of a higher fine.

An administrative action is the FPPC's more common method of prosecuting enforcement matters. For the 2000 election, the maximum possible administrative penalty was \$2,000 per violation (since raised to \$5,000 with the passage of Proposition 34).

Senior Commission Counsel Deanne Canar and Investigator III Daniel Schek handled the case for the FPPC.

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